

HB-8

Renewable Resource Loans - 2011 Biennium LRP Subcommittee Recommendation to HAC		
Loans-Sponsor/Project	Loan Recommendation	Cumulative Total
<b>Section 1<sup>1</sup></b>		
<b>Subsection (2) Projects (4.5% or State bond rate, whichever is lower-20 years)</b>		
Bitter Root Irrigation District		
Siphon 1: Phase 1	\$508,370	\$508,370
Montana Department of Natural Resources and Conservation		
Ruby Dam Rehabilitation Project	2,000,000	2,508,370
Montana Department of Natural Resources and Conservation		
Deadman's Basin Terminal Outlet Replacement Project	400,000	2,908,370
<b>Section 2<sup>2</sup></b>		
<b>Subsection (2) Projects (3.0% or State bond rate, whichever is lower-20 years)</b>		
Mill Creek Irrigation District		
Mill Lake Dam Rehabilitation	600,000	3,508,370
Refinance Existing Debt or Rehabilitation of Existing Water or Wastewater Facilities	3,000,000	6,508,370
<b>Subsection (3) Projects (3.0% or State bond rate, whichever is lower-13 years)</b>		
This is only an authorization of lower interest rates, not new authority.		
Daly Ditches Irrigation District		
Republican Canal Diversion Dam Replacment, \$268,815.		6,508,370
<b>Subsection (4) Projects (4.5% or State bond rate, whichever is lower-30 years)</b>		
Sunset Irrigation District		
Gravity Flow Irrigation Pipelines	<u>1,465,266</u>	7,973,636
Total Loan Authorizations:		\$7,973,636
Additional Loan Authorizations <sup>3</sup> :		3,468,795
Loan Reserve:		<u>1,716,364</u>
<b>Total Bond Request</b>		<u>\$13,158,795</u>
<sup>1</sup> Section 1 are new loans that meet the provisions of 17-5-702, MCA.		
<sup>2</sup> Section 2 are loans to be reauthorized		
<sup>3</sup> To finance loans in lieu of grants for grants recommended in the RRGL program		
NOTE: Projects are grouped by differences in loan circumstances and interest rates.		

March 16, 2009

H:\DATA\Long Range Planning\2011\RRGL\[RRGL\_Loans\_Work.xls]RRGL\_Loans\_Work\_HAC

Amendments to House Bill No. 8  
1st Reading Copy

For the House Joint Appropriations Subcommittee on Long-Range  
Planning

Prepared by Catherine Duncan  
March 16, 2009 (1:38pm)

1. Page 1, line 25.

**Strike:** "\$473,000"

**Insert:** "\$508,370"

2. Page 2, line 7.

**Strike:** "project"

**Insert:** "projects"

**Following:** "is"

**Strike:** "4.5%"

**Insert:** "3%"

3. Page 2, line 11.

**Strike:** "\$572,000"

**Insert:** "\$600,000"

4. Page 2, line 12.

**Following:** line 11

**Insert:** "Refinance Existing Debt or Rehabilitation of Existing  
Water or Wastewater Facilities \$3,000,000"

5. Page 2, line 12.

**Insert:** "(3) The interest rate for the project in this group is  
3% or the rate at which the state bonds are sold, whichever  
is lower, for up to 13 years.

Loan

Amount

DALY DITCHES IRRIGATION DISTRICT

Republican Canal Diversion Dam Replacement \$268,815"

**Renumber:** subsequent subsections

6. Page 2, line 24.

**Strike:** "\$9,635,920"

**Insert:** "\$13,158,795"

7. Page 2, line 25.

**Strike:** "\$4,910,266"

**Insert:** "\$7,973,636"

8. Page 2, line 26.

**Strike:** "\$1,256,859"

**Insert: "\$1,716,364"**

- END -

Committee Report of LRB to HAC

1 - Bitter Root Irrigation District has requested an increase in their loan authorization from \$473,000 to \$508,370 to cover bond costs.

This action will cost the state nothing.

2 - Changes the word "project" to "projects"

3 - Reduces interest rate for loan reauthorizations from 4.5% to 3.0%

4 Mill Creek Irrigation District has requested that their loan reauthorization be

increased from \$572,000 to \$600,000. They also request that the interest rate be reduced from 4.5% to 3.0% for 20 years.

Fiscal Impact

To decrease the interest rate on \$600,000 from 4.5% to 3.0% would cost the state \$115,926 over the 20-year loan term.

5. DNRC requests that loans for up to \$3,000,000 as authorized in 2005

HB 8 be reauthorized for the same terms. The \$3,000,000 would potentially be used to refinance existing public debt or rehabilitate existing public water and wastewater facilities at 3% or the state's bond rate, whichever is lower, for up to 20 years. DNRC would loan this money to public entities for projects or refinances that do not qualify for SRF funding. An example is a dam that stores water for a public water system such as Basin Creek Dam south of Butte.

6. Daly Ditches Irrigation District (ID) has requested a reduction in the interest rate on Loan No. WDL-02-3374 for the remaining 13 years of their loan payments. This loan was for \$364,000 at an interest rate of 4.48% for 20 years. The loan was initially authorized for up to \$730,691 at the state's bond rate for 20 years in 1999 HB 8 and reauthorized in 2001 HB 8 for the same terms. The interest rate in HB 8 would be reduced from 4.5% to 3% for the remaining term of the loan.

Daly Ditches ID has been paying on the loan in semi-annual payments since 5/12/02. The outstanding balance is \$268,815.43.

Fiscal Impact

A decrease in the interest rate from 4.48% to 3.0% on the balance of the loan would cost the state \$30,948 in